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SUBJECT: KAZAKHSTAN: KAZKOSMOS LAYS OUT SPACE AMBITIONS, REQUESTS
SUPPORT FOR KAZAKHSTAN TO JOIN MTCR

11. (U) Sensitive but unclassified. Not for Public Internet.

12. (SBU) SUMMARY. Kazakhstan's National Space Agency, KazKosmos, expects that Russia and Kazakhstan will sign an agreement this year to allow visits to the Baikonur cosmodrome for tourists. Russia's current Baikonur lease runs until 2050, but its terms do not adequately address the growing costs of maintaining the site. There is a joint venture to build a new rocket launch site at Baikonur, called Baiterek, designed to launch Russia's newest Angara heavy-launch boosters. Planned to be completed by 2012, it currently is only at the design stage. KazKosmos told us that it fully understands Russia's interest in developing its own independent space launch site in the Russian Far East but believes that Russia has no intention to withdraw from Baikonur. KazKosmos would like to enter into a cooperative partnership with NASA. This year it hoped to send a Kazakhstani cosmonaut to the International Space Station, but this has been postponed because of the global financial crisis. Kazakhstan would like to develop tourism in the Baikonur area and plans to develop tourism infrastructure. KazKosmos also hopes to preserve and restore Baikonur's basic launch site infrastructure, implement Russia's GLONASS global positioning system, and build a factory in Astana that will assemble satellites. Kazakhstan is working to improve social and economic conditions in the city of Baikonur. KazKosmos also asked for U.S. support for Kazakhstan to join the Missile Technology Control Regime (MTCR).
END SUMMARY.

RENEGOTIATION OF RUSSIA-KAZAKHSTAN AGREEMENT ON BAIKONUR

13. (SBU) On April 15, Kazakhstan National Space Agency (KazKosmos) Deputy Chairman Yerkin Shaimagambetov and International Cooperation Department Director Lyailya Tlepgergenova did not directly confirm to Regional Environmental Officer (REO) rumors about a renegotiation of the Russia-Kazakhstan lease for Baikonur, but they did say that during an upcoming May visit to Kazakhstan of Russian Prime Minister Putin, Kazakhstan hopes the two countries will sign an agreement to allow tourists to visit the space launch site. Shaimagambetov noted that Russia and Kazakhstan signed the first Baikonur lease in 1994,

and it included a provision that the agreement could be extended. In 2004, Kazakhstani President Nazarbayev and then-Russian President Putin signed a memorandum of understanding to extend the lease until 2050. Shaimagambetov maintained, however, that the terms of the lease do not adequately address the growing costs of maintaining the site.

14. (SBU) Shaimagambetov said both Russia and Kazakhstan have to maintain administrative facilities at Baikonur, support military units and law-enforcement agencies that provide security there, and fund the presence of other state agencies. In addition, there are costs associated with improving infrastructure at the site and funding pension obligations for those who work there. Ensuring ecological safety at Baikonur, with spent rocket fuel contaminating parts of the site, also entails costs.

15. (SBU) Shaimagambetov noted that there is a Russia-Kazakhstan joint venture to build a new rocket launch site at Baikonur, called Baiterek, which is designed to launch Russia's newest Angara heavy-launch boosters. The Angara booster will use a less toxic fuel than Russia's existing Proton booster. Nonetheless, this new fuel will involve additional costs for storage and handling. In the past, there were several fuel-related accidents and fires involving Proton booster rockets, Shaimagambetov said, and Russia has agreed in principle to pay for the ecological damage to the surrounding area. The Baiterek project is supposed to be completed by 2012, though it is only at the design stage now. In short, he said, there are a lot of reasons why Kazakhstan wants more favorable terms for the Baikonur lease, but for now that process is on hold until the financial situation improves.

16. (SBU) Regarding Russia's plans to build a new launch site in the
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Russian Far East, Shaimagambetov said KazKosmos fully understands Russia's interest in developing its own independent access to space. These plans, however, will not affect joint projects. He stressed that Russia has affirmed it has no intention to withdraw from Baikonur, and the Russian government directly reassured President Nazarbayev about this.

KAZKOSMOS WOULD LIKE TO HAVE COOPERATION WITH NASA

17. (SBU) Shaimagambetov said that KazKosmos would like to enter into a cooperative partnership with NASA. He said Kazakhstan has no direct experience in space flight or exploration and, thus, could benefit immensely from NASA's experience. Shaimagambetov said he has traveled to the United States to observe U.S. experience in operating a launch site and a control center. Kazakhstan has sent two cosmonauts into space, and had hoped to send one of its two current candidate cosmonauts to the International Space Station in late 2009 to carry out experiments as part of Kazakhstan's science program. Unfortunately, such contracts with Russia to send cosmonauts into space are very costly for Kazakhstan, and the financial crisis has forced Kazakhstan to postpone these plans for now.

DEVELOPING TOURISM AT BAIKONUR

18. (SBU) According to Shaimagambetov, Kazakhstan would like to increase its presence at Baikonur, not only for operational reasons, but also because Kazakhstan is interested in developing tourism there. The city was closed for security reasons, but Kazakhstan hopes to reopen the zone again, possibly this year, if Putin and Nazarbayev sign an agreement on international tourism for Baikonur during Putin's May visit to Kazakhstan. Kazakhstan intends to refurbish a tourist hotel in Baikonur that can handle large official delegations as well as ordinary tourists. Currently, there is very little lodging in Baikonur, and this serves as a limiting factor. There are discussions with Kazakhstani tourist agencies to help build the necessary tourist infrastructure -- including roads, hotels, and souvenir shops -- as well as to develop and improve a number of historical sites at Baikonur. In addition, new air routes will be needed, since currently there are no direct flights to Baikonur from within Kazakhstan. At present, only a very small number of people are able to go to Baikonur, but Shaimagambetov

hopes this will change.

PROJECTS STRUGGLING BECAUSE OF THE FINANCIAL CRISIS

¶9. (SBU) Shaimagambetov enumerated a number of projects that KazKosmos was undertaking, many of which have been affected by the ongoing financial crisis. KazKosmos hopes to be able to preserve and, to some extent, restore some of the basic launch site infrastructure. This is a project of the Russian-Ukrainian company Kosmotras, which also does commercial launches, and Kazakhstan is currently negotiating its entry into participating in this project. He said KazKosmos also plans to implement Russian's GLONASS global positioning system (similar to GPS) to help it find natural resources and preserve the environment in Kazakhstan. The bidding is under way, involving contenders from France, Russia, Ukraine, India, South Korea, and China. According to Shaimagambetov, France and Kazakhstan intend to sign a space cooperation agreement later this year when French President Sarkozy visits Kazakhstan. Shaimagambetov said Kazakhstan plans to build a factory jointly with France in Astana that will assemble satellites. The original intention was for Kazakhstan and France to share the financing for this project equally, but Kazakhstan is now looking for additional international partners.

BAIKONUR CITY NEEDS DEVELOPMENT

¶10. (SBU) Kazakhstan is working to improve life in the city of Baikonur, Shaimagambetov said. It is doing this on its own, without

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Russian participation, since Russia is only interested in exploiting the launch site. He described Baikonur city as out of the Soviet 1970s, lacking modern infrastructure. The government now is building a new school, kindergarten, hospital, and government administrative buildings. Shaimagambetov noted that, in the past, Kazakhstan had to rent buildings from Russia -- now it is building its own. He said the government is beginning to worry about the social and economic development of the city, including cleaning up the environment and securing pensions for the elderly. In addition, Kazakhstan sends a number of students to the aeronautics institute in Baikonur for training.

REQUEST FOR U.S. SUPPORT FOR KAZAKHSTAN TO JOIN THE MTCR

¶11. (SBU) Shaimagambetov argued that Kazakhstan has worked actively in the realm of missile technology control and has consistently supported the U.S. position on this issue. He said Kazakhstan is seeking U.S. support to join the Missile Technology Control Regime, and he hopes that the United States will agree to this. He said this will help Kazakhstan's efforts to enter the commercial space market as it plans for the future of Baikonur. (COMMENT: Kazakhstani MFA officials have also reiterated to us on several occasions in recent months Kazakhstan's continued interest in joining the MTCR. They see this as consistent with Kazakhstan's strong record on non-proliferation. END COMMENT.)

HOAGLAND